

Credit Service Organizations:

Promises to improve poor credit can be deceiving

Advertisements often promise miracles in repairing bad credit reports. Credit service organizations tell consumers that for a fee, bad credit, judgments, bankruptcies and bad debts can be erased from credit reports forever, or that a new credit identity can be created that will solve all the consumer's credit problems. In reality, such ads promise things that cannot be delivered.

WHAT INDIANA LAW REQUIRES OF FOR-PROFIT CREDIT SERVICE ORGANIZATIONS

- Have a written contract with consumers describing in detail the services to be performed.
- Provide consumers with a three-day right to cancel the contract.
- Maintain a \$25,000 bond to be used to satisfy consumer claims.

REMEMBER

- Negative but accurate credit information cannot legally be removed from a credit history except by the passage of time.
- No one can guarantee to erase bad credit.
- You can remove inaccurate or outdated information from your credit report yourself, at no cost.
- It is illegal to allow a credit service organization to set up a new credit file for you.
- Do not pay credit service fees before the services are completed.
- Indiana law gives you the right to sue credit service organizations for the greater of twice your actual damages or \$1,000 plus attorney fees.

RESOURCES

You can contact the Federal Trade Commission at: 1-877-FTC-HELP

www.ftc.gov/bcp/conline/edcams/bizopps

The Consumer Protection Division of the Indiana Attorney General's Office works to safeguard the rights of Indiana citizens every day. If you have questions or complaints regarding credit service organizations or other appropriate consumer issues, contact the Attorney General's Consumer Protection Division using the address and phone number listed below, or visit www.IndianaConsumer.com for more information.